

## Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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TO SECSTATE WASHDC 4849

INFO USMISSION USUN NEW YORK

C O N F I D E N T I A L SECTION 1 OF 2 GENEVA 5842

EXDIS

EO 11652: GDS

TAGS: ILO PORT PLO

SUBJECT: US STRATEGY IN ILO

REFS: A. GENEVA 5667; B. GENEVA 5300; C. GENEVA 5768 D) STATE15749

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PASS LABOR FOR SECRETARY DUNLOP, SEGALL, PERSONS AND QUACK-  
ENBUSH; COMMERCE FOR UPTON

1. SUMMARY. DURING THEIR RECENT VISIT SECRETARY KISSINGER AND  
UNDER-SECRETARY SISCO TOLD ME THAT THE TRIPARTITE TASK FORCE CONSIDER-

ING US RELATIONS WITH ILO WOULD WELCOME MISSION VIEWS ON STRATEGY AL-  
TERNATIVES. FROM THE GENEVA VIEWPOINT, WE CAN BEST ACHIEVE OUR OB-  
JECTIVES IN THE NEXT FEW YEARS BY A STRATEGY OF (1) DELAYED PAYMENT OF

US-ILO ASSESSMENTS UNTIL SATISFACTORY PROGRESS IS MADE TOWARD MEETING  
AT LEAST SOME US OBJECTIVES AND (2) TWO-YEAR ADVANCE NOTICE AT  
APPROPRIATE TIME OF INTENT TO WITHDRAW FROM ILO; THESE MOVES WOULD  
GIVE US MAXIMUM CREDIBILITY AND A TIME FRAME FOR ACHIEVING RESULTS.  
DURING THIS TRIAL PERIOD OF ROUGHLY TWO YEARS, USG AND AMERICAN  
LABOR AND EMPLOYERS SHOULD ARTICULATE WHAT WE WANT FROM THE  
ILO, AND ASSESS WHAT RESOURCES ARE PRESENTLY AVAILABLE AND WHAT  
INCREASES MIGHT BE NECESSARY TO ACHIEVE OUR GOALS; THE ILO AND

ITS MEMBERS WOULD HAVE TIME TO WEIGH WHETHER THEY WANT US  
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ON THESE TERMS OR PREFER TO GO ON WITHOUT US. PUBLIC ARTICULATION

OF THESE US INTERESTS IS NECESSARY IF WE ARE TO OVERCOME GENERAL IMPRESSION IN GENEVA THAT US DISSATISFACTION WITH ILO IS BASED ONLY ON THE PLO ISSUE AND TRANSITORY DOMESTIC CONDITIONS (I.E. THE PIQUE OF THE AFL-CIO). WE ASSUME THE TASK FORCE WILL FORMULATE A "SHOPPING LIST" OF US OBJECTIVES IN ILO AND WOULD APPRECIATE KNOWING THE TERMS OF REFERENCE SO WE CAN CONSIDER WHAT THE MISSION MIGHT CONTRIBUTE. END SUMMARY.

2. NEED FOR SOLID US SUPPORT--

WE ARE HOPEFUL THAT THE RETHINKING OF THE US RELATIONSHIP TO ILO SET OFF BY EVENTS AT THE JUNE CONFERENCE WILL INCREASE SIGNIFICANTLY THE INTEREST OF AMERICAN LABOR AND EMPLOYERS; AND WE ARE HOPEFUL THAT WITH THIS INCREASED INTEREST, CONTINUED ATTENTION AT A HIGH LEVEL IN USG WILL BE FORTHCOMING. IF THE ILO IS GIVEN HIGH PRIORITY BY THE US WE BELIEVE THAT MEMBER COUNTRIES AND ILO SECRETARIAT WILL FOLLOW US LEAD AND THAT SUFFICIENT PROGRESS IN "DE-POLITICIZING" THE ILO WILL MAKE US WITHDRAWAL UNNECESSARY.

3. NEED TO END DOUBLE STANDARD IN ILO--

THE FIRST AND ESSENTIAL GOAL FOR US IS TO CONVINCE MEMBER COUNTRIES, ESPECIALLY INDUSTRIALIZED NATIONS WHO ARE THE MAIN CONTRIBUTORS TO ILO, THAT USG IS DEAD SERIOUS ABOUT LEAVING ILO IF TREND TOWARD USE OF DOUBLE STANDARD IS NOT ARRESTED. OUR PREFERRED STRATEGY IS DESIGNED TO ACCOMPLISH THIS. IN PARTICULAR WE MUST SHOW THAT US CONCERN IS BASED ON THE POSITIVE PREMISE THAT LABOR STANDARDS AND TRADE UNION RIGHTS ARE INTERNATIONAL AND EQUALLY APPLICABLE IN ALL COUNTRIES AND IN ALL REGIONS, IN FREE MARKET AS WELL AS IN SOCIALIST AND COMMUNIST ECONOMIES, AND THAT AN ILO THAT DOES NOT OPERATE ON THIS PREMISE IS OF NO USE TO THE US AND TO THE THIRD WORLD. WE ALSO MUST ARGUE PERSUASIVELY THAT USG POSITION IS NOT BASED ON A PECULIAR OR TEMPORARY DOMESTIC SITUATION AND THAT US INTENT IS NOT TO "GIVE THIRD WORLD A LESSON" OR PRIMARILY TO EMBARRASS SOVIETS. WE FACE RISKS THAT WE WILL NOT BE SUCCESSFUL IN CHANGING THE ILO TO OUR LIKING OR THAT EVEN IF SUCCESSFUL, WE MIGHT NOT HAVE THE POLITICAL FLEXIBILITY TO RESCIND OUR WITHDRAWAL NOTICE, OR TO PERSUADE CONGRESS TO PAY OUR ARREARS

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AND RESUME NORMAL MEMBERSHIP IN ILO. THESE ARE RISKS WE CAN AND SHOULD TAKE.

4. NEED TO GET OUT FROM UNDER PLO ISSUE--

IF OUR CHIEF OBJECTIVE IS TO REMOVE THE PLO FROM ILO, WE ARE FIGHTING FOR A LOST CAUSE. FIRST DIFFICULTY FOR USG TO OVERCOME IN NEW APPROACH TOWARD ILO IS THAT OUR DISSATISFACTION WITH ILO

IS IDENTIFIED WITH PLO ISSUE WHEN IN FACT IT IS MUCH BROADER;  
WITHDRAWAL OF FUNDS BY THE CONGRESS HAS GIVEN US THE IMAGE OF  
ARGUING A SYMPTOM WHEN OUR INTENT IS TO TREAT A DISEASE.  
THEREFORE WE MUST FOCUS ATTENTION AND INTERESTS OF ILO MEMBER  
COUNTRIES AND SECRETARIAT ON OUR "SHOPPING LIST" OF OBJECTIVES  
BY CREATING FINANCIAL PRESSURE AND BY PAINTING VIVID PICTURE  
OF WHAT THE ILO WOULD BE LIKE WITHOUT US. WE ALSO NEED TO WORK  
HARD TO PERSUADE MAJOR FREE WORLD CONTRIBUTORS TO ILO THAT THEIR  
INTERESTS ARE SUBSTANTIALLY THE SAME AS OURS AND THAT THIS IS  
THE TIME TO FIGHT; IF US FINALLY DECIDES TO LEAVE ILO, WE SHOULD  
BE LEAVING AN "EMPTY SHELL". THUS THE TRIPARTITE TASK FORCE  
WILL HAVE TO ADDRESS ITSELF TO THE IMPLICATIONS OF US WITHDRAWAL:  
SHOULD US CONTINGENCY PLANS CALL FOR A NEW ILO MORE TO OUR LIKING

IN RULES AND MEMBERSHIP? SHOULD THE US AND INDUSTRIALIZED COUNTRIES  
USE OECD FOR INTERNATIONAL LABOR MATTERS AND ABANDON THE TRIPARTITE  
PRINCIPLE? HOW WOULD THE ILO CONVENTIONS AND RECOMMENDATIONS  
BE ADMINISTERED IF THE ILO ITSELF DID NOT EXIST?

5. THE PREFERRED STRATEGY: DELAYED PAYMENT AND FORMAL WITHDRAWAL  
NOTICE EFFECTIVE JANUARY 1, 1978(WITHDRAWAL NOTICE IS REVOCABLE  
AT ANY TIME BEFORE TIME BEFORE EFFECTIVE DATE; SEE REF C).

A. WE PREFER THIS STRATEGY BECAUSE

(1) IT CREATES A FINANCIAL CRUNCH AND DRAWS ATTENTION TO  
DISSATISFACTION WITH ILO PERFORMANCE IN MOST EFFECTIVE  
WAY AVAILABLE TO MAJOR CONTRIBUTORS (REF A);

(2) IT SETS CLEAR TIME FRAME FOR PROGRESS TOWARD US  
GOALS;

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C O N F I D E N T I A L SECTION 2 OF 2 GENEVA 5842

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(3) ACCOMPANIED BY POLICY STATEMENTS ALONG LINES GENERAL OBJECTIVES IN PARAS 2 AND 3 ABOVE AND IN FORM OF "SHOPPING LIST." IT WILL REMOVE DOUBTS OF MEMBER COUNTRIES AND SECRETARIAT THAT US IS NOT SERIOUS, OR THAT USG POSITION IS BEING DICTATED BY DOMESTIC CONCERNS;

(4) IT OFFERS FLEXIBILITY IN THAT WE COULD WITH CREDIBILITY MAKE PARTIAL PAYMENT OR PAYMENTS FOR SATISFACTORY PROGRESS IN MEETING US CRITICISMS OF ILO (PROVIDING OF COURSE THAT CONGRESS AGREED THAT PROGRESS HAD BEEN SATISFACTORY);

(5) IT PUTS PRESSURE ON COUNTRIES LIKE CANADA AND ITALY WHO HAVE BEEN WAVERING IN SUPPORT OF US (I.E. ON ISSUES OF STRUCTURAL CHANGE) BECAUSE THEY FEAR BEING DROPPED FROM THE LIST OF TEN MEMBERS OF CHIEF INDUSTRIAL IMPORTANCE IF NEW DETERMINATION IS MADE; IF US WITHDRAWS, NEW DETERMINATION TO REPLACE US WOULD BE UNAVOIDABLE (REF C).

B. THE DISADVANTAGES OF THIS STRATEGY ARE:

(1) CONSIDERABLE CURTAILMENT OF 1976-77 ILO BIENNIAL PROGRAM AND PROBABLE CESSATION OF PERSONNEL RECRUITMENT FOR ILO STAFF (AND CONSEQUENT LOSS IN ORGANIZATIONAL PERFORMANCE OVER LONG TERM);

(2) THAT WE MAY NOT BE ABLE TO PAY OUR ARREARAGES OR CANCEL NOTICE OF WITHDRAWAL IN TIME TO PREVENT LOSS OF VOTING RIGHTS.

(3) IN THE EVENT WE WITHDRAW FROM ILO AND RE-ENTER AT LATER  
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DATE, THERE IS POSSIBILITY OF UNDESIRABLE STRUCTURAL CHANGES AND PERSONNEL APPOINTMENTS DURING THE PERIOD IN WHICH US WAS EITHER NON-MEMBER OR WITHOUT VOTING RIGHTS IN ILO. ASSUMING CONGRESS APPROPRIATES MONEY TO PAY ONLY US OBLIGATIONS THROUGH JUNE 30, 1975, US WILL LOSE VOTING RIGHTS ON JANUARY 1, 1978.

6. OTHER STRATEGY ALTERNATIVES:

A) SIMPLE WITHHOLDING OF FUNDS. CONGRESS HAS ALREADY PUT US ON THIS COURSE. THE FIRST REACTION HERE HAS BEEN TO SEE THE MOVE AS A REPETITION OF THE SCENARIO OF A FEW YEARS AGO, THAT IS, AS A TEMPORARY AFFAIR CAUSED BY US DOMESTIC POLITICS WHICH WILL PASS IN DUE TIME AND WITH SOME SUFFERING ON THE PART OF ILO. MAJOR DISADVANTAGES TO US OF SIMPLE WITHHOLDING ARE (1) CREDIBILITY GAP STEMMING FROM ASSOCIATION OF PLO ISSUE WITH SCENARIO OF THE PREVIOUS FINANCIAL CRISIS AND (2) PROBABILITY OF SERIOUS DAMAGE TO ILO IF WITHHOLDING FUNDS CONTINUES, ESPECIALLY IF OTHER MAJOR CONTRIBUTORS WITHHOLD FUNDS (REF A) AND ILO UNABLE TO BORROW MONEY TO COVER DEFICIENCIES. FURTHER DISADVANTAGE IS THAT WITHHOLDING

FUNDS IS USEFUL ONLY AS LONG AS US RETAINS VOTING RIGHTS IN ILO;  
AT PRESENT US WILL LOSE VOTING RIGHTS ON JANUARY 1, 1978.

B) GIVING NOTICE OF INTENT TO WITHDRAW BUT CONTINUING PAYMENTS.  
ASSUMING CONGRESS WOULD AGREE TO FURTHER PAYMENTS, THE ADVANTAGE  
OF THIS STRATEGY IS THAT ILO PROGRAMS AND PERSONNEL WOULD BE RELAT-  
TIVELY UNTOUCHED (PARA 4, REF B). DISADVANTAGE MIGHT ARISE IF RE-  
SUMPTION OF PAYMENTS BY US WERE INTERPRETED IN MANNER THAT UNDER-  
CUT CREDIBILITY OF US NOTICE OF INTENTION TO WITHDRAW AND SERIOUS-  
NESS OF US CRITICISMS AND "SHOPPING LIST." MOREOVER, IF RESUMP-  
TION OF PAYMENTS IN UNCONDITIONAL, FLEXIBILITY IN PREFERRED STRA-  
TEGY (PARA 4 ABOVE) OF MAKING PAYMENT IN RETURN FOR PROGRESS AND  
CONCESSIONS, WOULD BE LOST.

C) COMPLETE AND IMMEDIATE WITHDRAWAL. UNLESS RELATED TO US  
WITHDRAWAL FROM OTHER UN AGENCIES AND UNLESS SIGNIFICANT NUMBER  
OF MAJOR CONTRIBUTORS ALSO WITHDRAW FROM ILO, WE SEE NO ADVANTAG-  
ES TO THIS STRATEGY. DISADVANTAGES ARE MANY. US WOULD ABANDON  
ILO TO SOVIETS AND THIRD WORLD WITHOUT BATTLE FOR REFORM WHICH WE  
STAND A CHANCE OF WINNING. WE WOULD LOSE INFLUENCE ON DEVELOPMENT  
OF INTERNATIONAL LABOR STANDARDS AND OVER PERIOD OF TIME THIS COULD  
RESULT IN DISADVANTAGE TO US FOREIGN TRADE INTERESTS. ALSO LOST  
WOULD BE VALUABLE ILO FORUM WITH ITS POTENTIAL FOR INFLUENCING  
LABOR AND BUSINESS LEADERS OF OUR MAJOR TRADING PARTNERS AND OF  
THIRD WORLD. AS INDICATED PARA 3 ABOVE, POSSIBILITY OF US WITH-  
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DRAWAL RAISES QUESTION OF ALTERNATE INTERNATIONAL ORGANIZATION TO  
REPLACE ILO.DALE

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WITHDRAWAL OF MEMBERSHIP, POLICIES, GOVERNMENT REACTIONS, LIBERATION FRONTS, MEETING OBSERVERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 JUL 1975  
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